

Section 9: Miscellaneous Reforms

These reforms were suggested late in the Task Force process and were not weighed simultaneously with other suggestions, but the Task Force offers them for consideration by transportation agencies and the Michigan Legislature:

Impose an Impact Fee for Lane Closures.

Persons or agencies needing to close some or all lanes of a road might pay a permit fee proportional to the cost of delays and detours imposed on road users. Builders and land developers, underground and overhead utilities, parades and events, and other actions that require closure of part or all of a road could be subject to fees that correspond with traffic and delays created from the lane closures.

Necessary one-time closures might be free for the first few hours or days, to encourage speedy construction of driveways or utilities adjacent to roads. Closures for construction mandated by the road agency (such as turn flares) would not incur a fee. Low fees between 10:00 PM and 6:00 AM could encourage off-peak closures. Fees for excessive or repeated closures might rise steadily, to encourage utilities and others to find alternatives that do not require closure of roads.

Pilot Rest-Area Public/Private Partnership.

Leasing commercial sites in freeway rest areas could relieve MDOT of the cost of these facilities, while generating lease revenue. Maintenance of rest areas has already been privatized, but commercial leaseholds are prohibited by state law and federal law and regulation. MDOT might request waivers of these regulations for a pilot project at a location on a non-Interstate freeway, where the cost of rest area reconstruction might be saved and impacts to nearby restaurants can be avoided.

Create a Standing Commission to Review Revenue Adequacy and Asset Condition.

Transportation is not significantly different from the energy and communication utilities regulated by the Michigan Public Service Commission (MPSC). The MPSC sets rates so as to assure adequate service, capital expansion, and return on investment.

This proposal suggests similar MPSC powers be given to the State Transportation Commission or a special commission to review the adequacy of transportation revenues and infrastructure conditions and provide recommendations to the Legislature for all modes of transportation.

The commission could recommend adjustments to user fees to assure debt coverage, safety, prevention of deferred maintenance, continue levels of service, and allow appropriate expansion. Road and transit agencies could make a case for user fee rates based on the state of their assets. The cost of capital projects could be included in the road and transit user "rate base" by the commission, similar to a hospital certificate of need.

The revenue commission would not set user fees administratively, although this might be possible. Article IX, Sections 1 and 2 of the Michigan Constitution restrict taxation to the legislature, but recent law defining taxes and fees makes it clear that the fuel "tax" is really a fee. It is not clear whether the vehicle registration fee is a fee or a tax.